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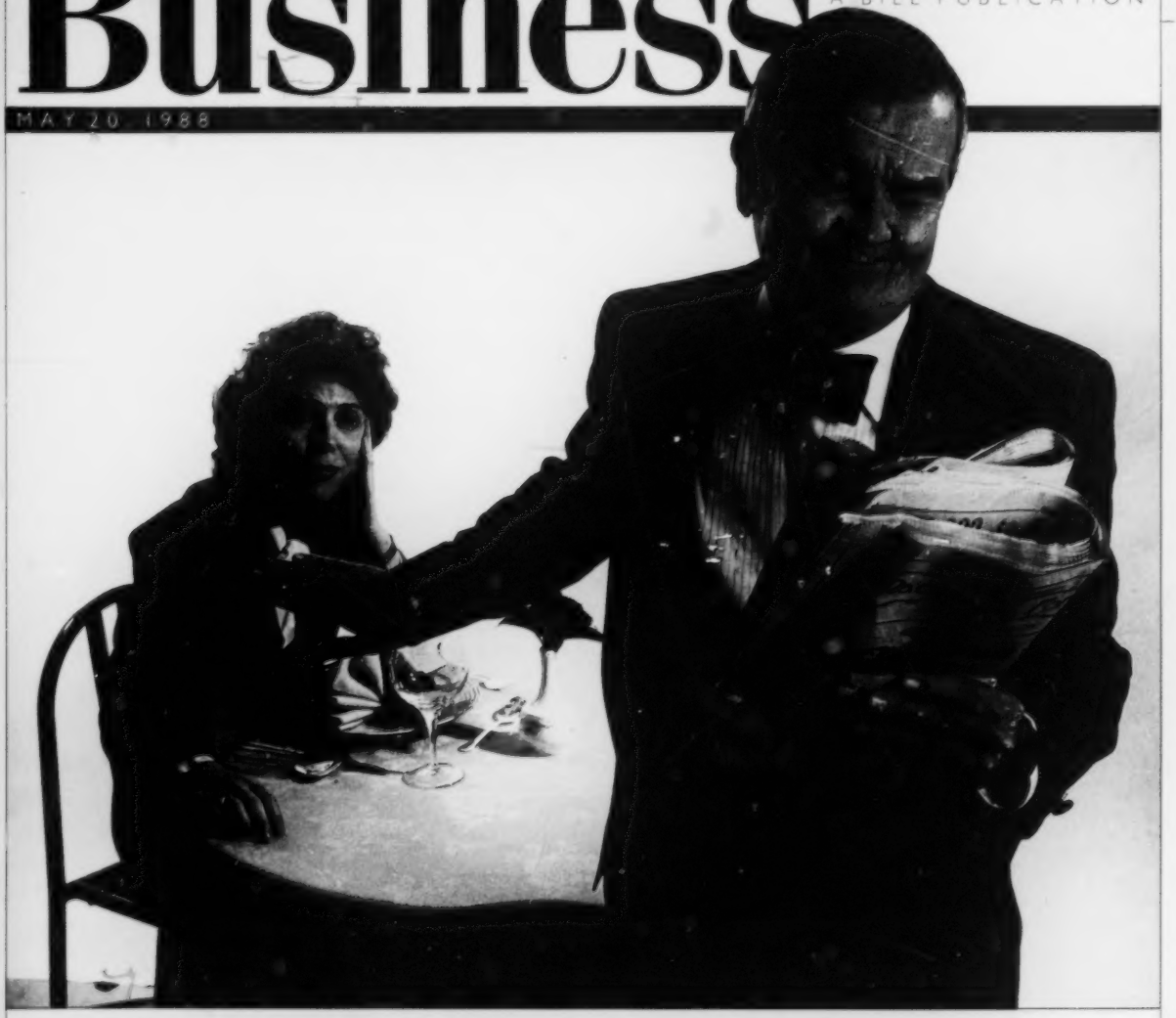

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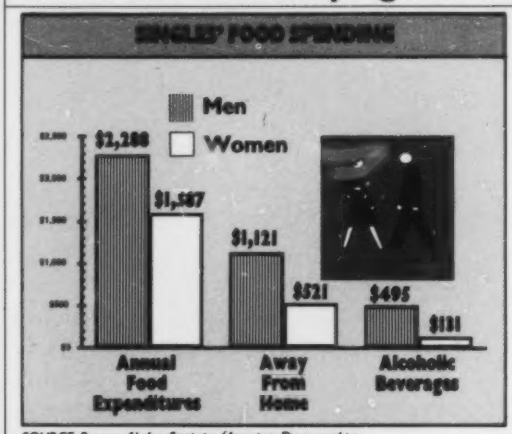
BUSINESS BAROMETER

The Hard Facts Shaping Our Industry

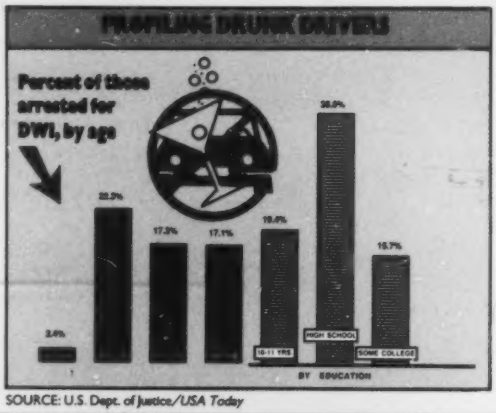
By Howard Riell



SOURCE: Bureau of Labor Statistics/*American Demographics*

Singles: Women Eat Out Less Than Men

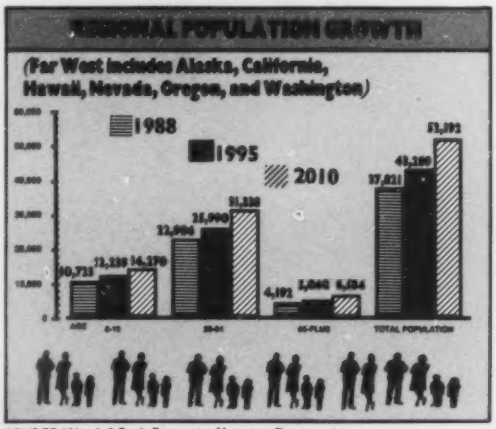
Does the female market hold as much promise as many foodservice marketers today believe? The numbers indicate that it does, but marketers need to educate the single female consumer to build frequency. According to the Bureau of Labor Statistics and *American Demographics*, today's single men set aside a larger share of their income for food away from home than do single women. Further, when those women do eat out, they spend only half as much (roughly) as their male counterparts. Drive-thru operators take note: Women also own fewer cars, and spend more on public transportation.



SOURCE: U.S. Dept. of Justice/*USA Today*

Recognizing Which Customers To Cut Off

Knowing which of their customers is likely to be a drunken driver can be valuable. A study by the U.S. Department of Justice profiles convicted drunk-driving offenders, and provides subtle warnings for perceptive operators: 94.7% are males; 85.6% are white, 9.8% black. The majority, 39.1%, are divorced or separated; 22.2% are married; 36.7% are single. More than 67% of convicted drunk drivers were employed at the time of their arrests. Most spent four to five hours drinking before their arrests, consuming roughly 6.3 oz. of alcohol.



SOURCE: Woods & Poole Economics/*American Demographics*

Go West, Young Man, Far West

From now until the year 2010, the Far West region—which includes Alaska, California, Hawaii, Nevada, Oregon, and Washington—will gain approximately 14 million residents, the most in the nation, according to *American Demographics'* projections. Service jobs, the study also states, should increase by about 39%. While there will be 6.8 million new households, they will be smaller: 2.39 members, down from the current 2.6. The fastest-growing group will be those aged 65 and over, increasing by 57%; 20- to 64-year-olds will increase by 37%; the group under 20 will grow by about 30%.

CHARTS DESIGNED BY SHARI FANG

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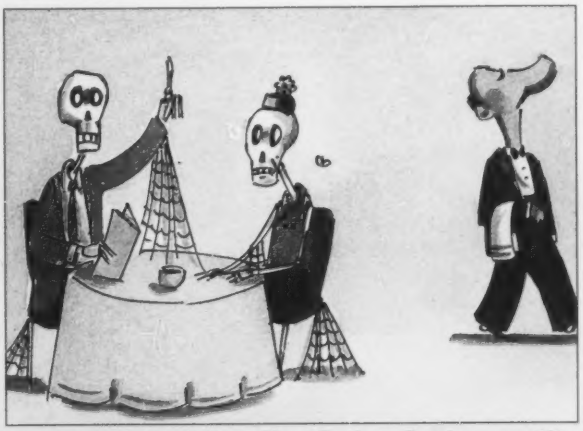

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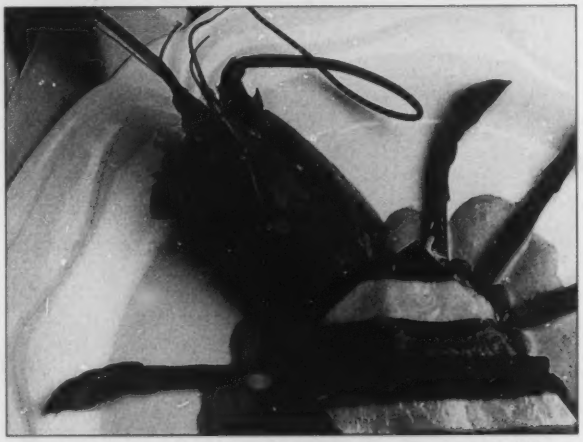

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Cover photograph by Tom Sobilik/Black Star

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Restaurant Business now has available specially prepared reprints of the **1987 RESTAURANT GROWTH INDEX** and the **1988 MAJOR FORCES IN FRANCHISING.** These annual studies are invaluable reference tools.

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Many steak chains have repositioned as midprice family operations, with elaborate food bars; others are refocusing on beef.

BY JACQUE WHITE KOCHAK

Although the steak-house segment is viewed by many as moribund and uninteresting, it has actually been very volatile in the past few years. Declining beef consumption had forced major changes in the segment, as operators rushed to broaden their menus with chicken, fish, and salads.

Today, many steak chains have successfully repositioned as midprice family operations, with elaborate salad and food bars. Meanwhile, the decline in beef consumption may have stabilized, and some chains are refocusing on steak.

BAD PRESS. "The steak places have suffered from a lot of bad press," says George Rice, president of GDR/CREST Enterprises Inc., Park Ridge, IL. "But there's a basic foolishness to all this. Steak is one of the primary items purchased at upscale restaurants. Eliminating steak is really foolhardy. There's nothing wrong with being trendy, but don't walk away from one of the primary menu items."

According to research conducted by *Restaurant Business*, in 1986 67% of restaurants served some kind of steak on their menus. Steak was most popular in full-menu and higher-dollar-volume restaurants. Customers are still eating steak; it's just that steak-house chains have to work harder for their share of the market.

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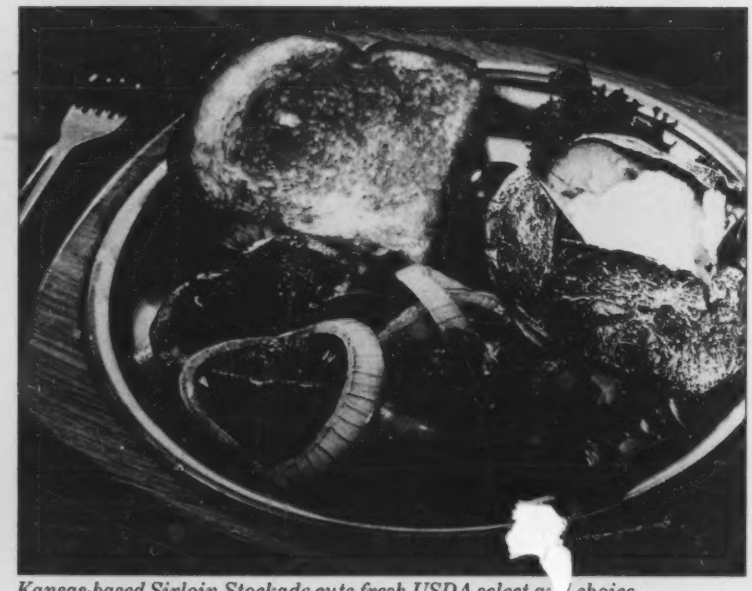
Jacque White Kochak is a contributing editor based in the Westchester County, NY, area.

Although Stuart Anderson's menu offers mostly beef items, it also offers five fish dishes plus combination plates.



Kansas-based Sirloin Stockade cuts fresh USDA select and choice beef in its units, and naturally ages the meat.

Declining beef consumption forced major changes in the segment, as operators rushed to broaden menus with chicken, fish, and salads.

"It's a dogfight," says Gale Premer, president of Hutchinson, KS-based Sirloin Stockade. "Up until three years ago, the segment was growing. Now we have to fight to get customers away from others." Sirloin Stockade is a chain of 66 moderately priced steak houses in the Midwest. "Let's face it. This segment is 25 years old. We're no longer dazzling, but we're still strong. None of us is going to die and go away, but we win or lose the battle by how well our stores are run."

There may be a rebirth of the public's interest in steak. "I think that the interest in red meat has come full circle," says CREST's Rice. "The impact of declines in red meat consumption has been felt, and I think we're going to see a resurgence of steak."

VIABLE MARKET. "I see a lot of things happening among upscale steak houses like Morton's and Ruth's Chris Steakhouses," agrees Nick Castaldo, vice president of marketing for Dallas-based Steak & Ale Restaurant Corp., a Pillsbury subsidiary. "I see a lot of stirring of the pot, a lot of advertising. It seems like a lot of things that become trends originally start at the top. Anyway, the business is so large and so many companies have gotten out of selling steak that there is a large and viable market."

In fact, Kansas City-based Gilbert/-Robinson Inc., which operates a number of specialty restaurants under different names, last year converted its Plaza III flagship restaurant in Kansas City to a steak-house concept.

The dining room that once served continental cuisine now serves a pared-down menu of high-quality Kansas City beef. The atmosphere is conservative and traditional, with dark woods, starched white tablecloths, and polished brass. Walls are covered with old photos, Remington reproductions, and memorabilia from the city's cow-town past, including a 100-year-old saddle.

Kansas City is known for steak, and Gilbert/Robinson says that Plaza III will remain a one-of-a-kind operation, not intended for expansion. Nevertheless, the restaurant's sales have exceeded projections.

IS BUDGET DEAD? Although steak continues to be an attractive menu alternative, nearly everyone agrees that the old "budget" steak-house segment is dead. Basically, the segment went through a shake-out in the late '70s, and a shift was made to seek a broader market. Now the typical low-priced steak house competes directly with other family-style restaurants.

"Almost everyone in that category is moving away from being strictly a steak house," says Anne Powell, director of communications for Orlando-based General Mills Restaurant Group, which operates York Restaurants. "The strategy of a very low check average remains, but I think you should call the segment 'budget/value' today."

Powell sees the new, redefined segment as strong and viable, but adds that chains in the segment are in a constant state of flux. Because of their low check averages, both high volumes and good locations are necessary; that means old sites are constantly being evaluated as demographics change. "But there's definitely room for everybody," she says. "You just have to have a good location with a high volume of traffic."

Whether there is room for a new steak-house chain to develop is a different question, however.

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Denver-based Mr. Steak is distinguished by its refusal to follow suit with an elaborate food bar, but it does offer customers alternatives to beef.

"The steak segment is like the burger segment. You just can't get into it anymore. There's just not a lot of room for another chain," says Mark McCall, president of Greenville, SC-based Ryan's Family Steak Houses.

FOOD BAR FACTOR. The most important factor in the revitalization of the budget steak segment was the introduction of giant food bars. By offering a quantity of different foods at very low prices, the food bars appeal to families. A family of four can eat from a food bar for not much more money than they would spend at a fast-food restaurant.

From an operations standpoint, however, the giant food bars can be very costly to run. Ryan's Family Steak Houses has gained tremendous attention because of its success with a giant U-shaped Mega Bar, but Ryan's president McCall points out that food costs run a high 44% to 46% on the bars.

"If everybody tries to offer hot food bars, eventually the ones who can't afford to run the bars could be wiped out," says McCall.

Sirloin Stockade's president Premer agrees. "Because there are so many items on the bar, food costs vary more and are harder to control," he says. "Our restaurants are definitely more difficult to run now."

BACK TO BEEF. While budget steak houses are expanding their markets beyond traditional boundaries by adding to their menus, many mid-priced steak houses are retrenching and returning to their identities, placing even more emphasis on steak.

Among these is Dallas-based Steak & Ale, part of Pillsbury subsidiary S&A Restaurant Corp., which also owns the Bennigan's chain. Steak & Ale operates 165 units in 25 states.

Pillsbury is the country's fourth largest food company, with sales last fiscal year of $6.1 billion, but the company's restaurant properties have been languishing, hurting Pillsbury's profitability and sparking speculation at press time that one or several of the company's restaurant chains would be sold. Pillsbury also owns Burger King and Godfather's Pizza. There has also been recent speculation that Pillsbury could become the target of a takeover attempt.

Because of softness in sales, this has been a year of redirecting strategy and rebuilding for Steak & Ale, according to vice president of marketing Cas-

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According to *RB* research, 67% of restaurants served some steak on their menus; it is most popular in upscale, full-menu restaurants.

taldo. The company does not publish sales figures, but Steak & Ale's systemwide sales are estimated at over $200 million, with average unit volume of around $1.5 million. Average check is $13.

The emphasis has been on returning Steak & Ale to a position in customers' minds as a classic steak house that can be relied on to serve a consistently good steak. "A lot of chains were spooked by reports that customers were eating less red meat," says Castaldo. "They were diversifying out of the category. Steak & Ale was experimenting with a similar strategy, offering more salads, fish, and chicken in an attempt to broaden our customer base and diversify away from red meat.

"After extensive surveys, we found that our business was very heavily weighted toward frequent users, and they liked us just the way we were."

In fact, says Castaldo, frequent users represented over 80% of Steak & Ale's business. But Steak & Ale, with all its twists and turns, had lost its clear definition as a steak house in the minds of frequent users. As a result, the restaurants were capturing only one in 10 of their dining occasions.

"This frequent-user base had supported us for years. We decided to regain our focus," says Castaldo.

As a result, the company has changed the menu radically, making it more traditional and more clearly emphasizing steak. The move is supported by a new advertising campaign entitled "The Legend in Steak."

REFOCUSING ON STEAK. Real sales have increased 10% since the retrenching began last October, says Castaldo. Some markets that had shown sales losses for the past two and three years are now showing increases.

"Everybody's comfortable with what we are doing now," Castaldo says. "We feel this is where we should have been all along."

Another steak-house chain that has regained its focus is Los Altos, CA-based Stuart Anderson's Restaurants, owned and operated by American Restaurant Group, based in Newport Beach, CA. American Restaurant Group also operates Spectrum Foods, the Velvet Turtle Restaurants, Spoons, and Grandy's.

Stuart Anderson's 90 steak restaurants also operate under the names of Black Angus and Cattle Company, with operations located throughout the western U.S. as well as in Minnesota and Indiana.

"We're putting a tremendous focus on basics, with a menu that our customers want," says vice president of marketing Julia Stewart. "We've concentrated on our marketing strategy, and it's all coming together."

Although Stuart Anderson's is privately held and sales figures are not published, Stewart says that 1987 was "a good year."

In 1986, the company went through a much-ballyhooed repositioning. Advertising touted a new "American" menu, using that popular catchword "light." "We learned a lot about execution and food focus during that period," says Stewart. "We've gone back to our classic formula."

The menu is mostly beef, with three chicken dishes and five fish dishes. Steak prices range from $6.95 for a petite-cut sirloin, London broil, or beef tenderloin kabob, to $18.95 for lobster and top sirloin or prime rib.

DIFFERENT STORY. Although many analysts have blamed the declining fortunes of steak-house chains such as Beefsteak Charlie's and Victoria Station on a decline in red meat consumption, a closer look shows that there's more to the story.

New York City-based Beefsteak Charlie's, for example, is showing a profit for the first time in many years under the new ownership of Bombay Palace Restaurants Inc., which oper-

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New York City-based Beefsteak Charlie's is showing a profit for the first time in years under the new ownership of Bombay Palace Restaurants Inc.

Customers are still ordering and eating beef; it's just that the chains have to work harder for a share of the market.

ates 13 Indian restaurants as well as several other concepts in the Northeast. The profitability is coming about without making major changes in the menu or the concept.

"We controlled costs at the store level and the corporate level while maintaining store volumes," says Kewal Chopra, executive vice president. "We are supervising more closely at the unit level so food and labor costs are not way out of line, and we reduced the staff at the central office."

Chopra says that Bombay Palace bought the company on September 13, 1987, and showed a profit in the last quarter of 1987.

Now that operations have been pulled under a tighter rein, money and effort are being focused on remodeling units with a light, airy look complemented by wood, brass, plants, and neon. Beefsteak Charlie's trademark all-you-can-eat shrimp and salad bar is being expanded to include hot dishes, fresh cold cuts, and fruit.

Between $50,000 and $100,000 is being spent to upgrade units, says Chopra. Restaurants are being renovated one at a time, with three to five completed this year, he adds. The food bar is being added as a part of renovation; at the Princeton, NJ, location, customer counts increased by about 50% and sales by about 30% when the bar was expanded.

VIABLE. Bombay Palace is convinced that Beefsteak Charlie's is a very viable company. "We were attracted to the company because it has a good name, a very well-known name, and because of the package it offered to the public," says Chopra.

Another chain plagued by unprofitability—to the point that bankruptcy was declared—is Victoria Station, once a Wall Street darling with units nationwide. The company has been pared down to only 11 units in the Northeast, which were purchased last December by Victoria Station Acquisition Corp., headed by Lowell Farkas, at one time chief operating officer of Horn & Hardart's foodservice division.

Farkas is adamant that he doesn't have to engineer a "turnaround" for Victoria Station, because the restaurants that he purchased are already healthy, showing average unit volumes of $1.6 million and total sales of $16 million.

"We're not changing the concept. We view the concept as very viable," he says. "In fact, we're going to pare down the menu and put more emphasis on red meat than before."

When the Victoria Station concept was born in 1969, only four items appeared on the menu: prime rib, filet mignon, top sirloin, and Shrimp Victoria, which was a variation on shrimp scampi. There was a salad bar plus baked potatoes and mushroom side dishes, but no appetizers. As the chain grew, the menu expanded, which caused problems.

To emphasize to customers that Victoria Station's menu has returned to basics, the pared-down chain ran a special during the month of April: Customers could order from the original 1969 menu, with 1969 prices, if a companion ordered a comparable item from the regular menu.

"Today customers are more sophisti-

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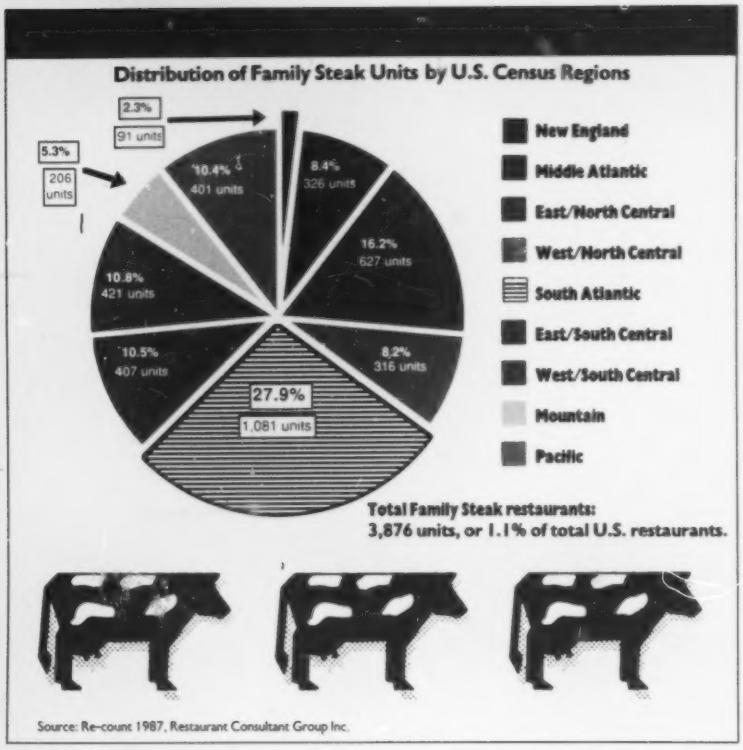

CHART BY SHARI FANG

Although steak continues to be attractive, nearly everyone agrees that the 'budget' steak-house segment is soft.

cated and we have to have a somewhat larger menu, but this should be a great place for prime rib, with some alternatives," says Farkas. "Victoria Station's menu just got ridiculous. I once walked into a Victoria Station and saw spaghetti and meatballs offered as a special."

Although Victoria Station's loss of focus has been criticized repeatedly, Farkas holds that the frantic efforts at repositioning were not the cause of the chain's downfall, but a result. Victoria Station went bankrupt because the company expanded too rapidly in too many markets, he says.

What's ahead for the new Victoria Station? Farkas says that his group of investors is looking for opportunities for growth and acquisition.

Still solidly in the steak segment is Vandalia, OH-based Ponderosa Inc., which operates 402 company-owned and 288 franchised units nationally and internationally.

Ponderosa's sales for the fiscal year ended February of 1988 reached $700 million, with average unit volumes down 3.8% to $1.02 million.

"Currently, sales volumes have been off because we have been without new product development for almost two years," says David Pertl, senior vice president and chief financial officer for Ponderosa.

He notes that a substantial amount of corporate time and energy went into taking the company private in a $331-million buyout in January 1987. Now, Ponderosa has been acquired for an undisclosed amount by Metromedia Co., a privately held telecommunications and technology holding company. Metromedia says that it plans to keep Ponderosa management in place and anticipates no changes in the company's operation.

HOT SPOT. Now, a great deal of emphasis is being put on new product development, with a number of new food ideas being tested. Among them is the Grand Buffet, which adds chicken wings, deep-fried vegetables, hot cobblers, and "finger food" and dessert items to the company's extensive salad/food buffet. The buffet now includes 50 items, including an ethnic "hot spot" that changes frequently.

"All of our research tells us that it is very important to the customer to have a wide selection," says Pertl. "The expanded salad buffet meets that need."

The salad bar is included with all entrees; sales of the salad bar without an entree account for only 15% of Ponderosa's sales, compared to 20% to 25% of sales at Sizzler and 50% of sales at Ryan's. The fact that Ponderosa is focused on red meat is clear; red meat entrees account for 50% of sales.

Those numbers may change if the new Grand Buffet is rolled out systemwide. "Our anticipation is that sales for the buffet will rise from 15% to 20% or 30% of sales," says Pertl.

Ponderosa is also testing an All-Choice line of steaks in response to the public's desire for quality. Currently, two steaks are tenderized, says Pertl.

The company is offering franchisees a prototype modular building that allows economical expansion. The cost-efficient building also offers an improved kitchen and layout.

Some 80 franchised stores will open this year, but no company stores. This

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Ryan's Family Steak Houses was a pioneer in the merchandising of elaborate food bars with its giant U-shaped Mega Bar.

The introduction of giant food bars revitalized the midprice steak segment, but food costs for the bars run very high.

is a continuation of the company's strategy of expanding its franchisee base, says Pertl.

CASUAL DINING. Los Angeles-based Sizzler Restaurants International Inc., which is 62% owned by Collins Foods, is among those former budget steakhouse chains that now declare themselves to be a casual dining experience, in competition with other moderately priced family and theme restaurants. In fact, steaks today make up only 30% of Sizzler's menu, says executive vice president Michael W. Arthur. However, steak still constitutes the biggest proportion of sales, followed closely by sales from the giant food bar.

Sizzler's repositioning effort has been extremely successful; sales have been increasing in double-digit increments for the last eight years, reaching a high of $750 million for the fiscal year ended April 30, compared to $632 million in 1987. The story is as good as it looks; net income is up, too.

Customer counts have been increasing as well. Arthur says that customer counts had increased by 7% in the first three quarters of fiscal 1988.

Sizzler operates about 575 units, and plans to open 60 to 70 units a year until a goal of 1,000 is reached by 1991.

Dallas-based USACafes is continuing to expand Bonanza, one of the originators of the food-bar phenomenon. In fact, Bonanza's "Freshtastics" bar, with more than 60 items, now accounts for 35% of sales.

USACafes operates 559 franchised and two company-owned units, with a recent franchising agreement opening up Connecticut and parts of New York. Seventy to 80 new units will be opened throughout the system by year's end, with an increasing number planned for following years.

In 1987, average unit sales were up 7% to $918,000, thanks to a slightly increased average check as well as an increase in customer counts. The company is continuing to upgrade menu items.

HEARTLAND. Raleigh, NC-based Golden Corral Corp. operates 514 restaurants in 40 states; all but two are company-owned. The company plans to expand at a rate of about 25 company units this year, with emphasis on its traditional heartland in the Southeast and Texas. Golden Corral also recently initiated a franchising program.

The company is privately held, so current sales figures are not available. Management recently said that sales have been on a steady upward trend and could reach $1 billion by 1990.

Like many in the segment, Golden Corral started out selling a low-priced steak and baked potato along with a tossed salad. Now this company, too, has found that keeping the core menu but adding to it is a successful strategy, and its super salad bar has been an important sales builder.

The bar, which includes 90 hot and cold food items, now accounts for 40% to 45% of sales. Dessert bars and sundae bars are being added. Price of the bar with a meal is $1.89; without a meal, the price is $4.50. The chain's average check is $5.25.

Golden Corral has always focused its expansion on smaller towns, typically with a population of about 10,000, and that strategy will continue. "The concept was born in a small town where we had a value to offer as a family-priced restaurant," says Steve Fortlouis, director of marketing. "So you pursue your success. In small towns, however, you have to compete

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Gilbert/Robinson is betting on beef: The company converted its flagship, Plaza III in Kansas City, to a steak-house concept.

Although there seems to be room for growth, many doubt whether the segment could support another chain.

with whatever restaurants are there, not just other steak houses."

Fortlouis describes the company's market base as "middle class, with a collar that is somewhat blue, around 40 in age, and equally male and female.

"In our segment, the customer wants choice, convenience, and options," he says. "The decline in red meat consumption seems to have plateaued, and besides, people talk a good show but continue to eat what they want. Our menu still emphasizes red meat."

Low-profile Western Sizzlin' Steakhouses, based in Augusta, GA, has been growing steadily by means of franchising—without ever advertising nationally for franchisees, says E.J. Maddocks, a spokesperson for the company. Western Sizzlin' now operates 588 units, only four of them company-owned, with another 90 franchises sold. The company's stronghold is in the Southeast, but western markets are opening up, and in fact, western stores are bringing in higher volumes than the southeastern stores are, says Maddocks.

The first Western Sizzlin' opened in 1962, and the family-owned company started franchising in 1967. The founder was Nick Pascarella, who died in March at the age of 84. The company is now run by his son, Ed Pascarella.

CYCLICAL BUSINESS. Systemwide sales for the company are estimated at $466 million, according to Maddocks. Average unit volumes run about $800,000. Maddocks says sales have been very strong, and he expects that trend to continue. "We're over the red meat scare," he says. "This business is cyclical like anything else."

Western Sizzlin' is among those chains that have not tried to move away from their steak-house image, although the limited menu has been expanded to include chicken, fish, and the ubiquitous food bar, complete with fried chicken and desserts.

An extensive remodeling program has been undertaken, with dark interiors lightened and exposed beams covered. The salad bar has been relocated, and interiors have been freshened with new booths and carpeting. A new 8,500-sq.-ft., 300-seat prototype building is also being introduced.

Another family steak-house chain with headquarters in the Southeast is Spartanburg, SC-based Quincy's Family Steakhouses, owned by Spartan Food Systems. Spartan is a division of New York City-based TW Services Inc., which also owns La Mirada, CA-based Denny's.

Quincy's is customarily reticent about divulging information, but director of public relations Karen Randall says that sales trends are up for the company's 213 units. The emphasis continues to be on beef, with steaks cut fresh daily, but Quincy's also offers the Country Sideboard, an array of vegetables, salads, soups, meat dishes, and desserts, priced at about $4.50 as an entree.

Claremont, NC-based Western Steer-Mom 'N Pop's Inc. is set for a phase of more aggressive expansion following its takeover by former executive vice president Charles F. Conner, now president and treasurer, and former director Richard F. Howard, now chairman and CEO.

The company's systemwide sales are

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COMPANY HEADQUARTERS	NUMBER OF UNITS	SYSTEMWIDE SALES	AVERAGE UNIT VOLUME
PONDEROSA VANDALIA, OH	690	$700 MILLION	$1 MILLION
WESTERN SIZZLIN' AUGUSTA, GA	588	$466 MILLION	$800,000
SIZZLER LOS ANGELES, CA	575	$750 MILLION	$1.5 MILLION
BONANZA/USA CAFES DALLAS, TX	561	$530 MILLION	$918,000
GOLDEN CORRAL RALEIGH, NC	514	$397 MILLION	$861,500
QUINCY'S SPARTANBURG, SC	213	N/A	N/A
WESTERN STEER CLAREMONT, NC	194	$194 MILLION	$1 MILLION
STEAK & ALE DALLAS, TX	165	$200 MILLION	$1.5 MILLION
MR. STEAK DENVER, CO	143	$109 MILLION	$750,000
RYAN'S GREENVILLE, SC	100	$185 MILLION	$2.4 MILLION
YORK RESTAURANTS ORLANDO, FL	100	N/A	N/A

1987 Figures

expected to reach $194 million this year.

Of the chain's 194 units, mostly in the Southeast, 143 are franchised. That number should continue to grow by 20 to 30 units a year.

STEAK FOCUS. Western Steer, too, continues to focus on steak and projects a clear steak-house image. Although the company has a large food bar, the chain sees an upswing in steak orders.

Denver-based Mr. Steak Inc. is another steak-house chain that still concentrates on steak, and is distinguished by its refusal to add a massive food bar. The company currently operates 21 company stores and 122 franchised stores, with 50% to 60% of sales deriving from red meat, 40% to 48% of which is steak sales.

The company filed for Chapter XI bankruptcy late in 1987. Problems are attributed not to the concept but to the burden of over 100 undesirable leases and substantial past-due franchise receivables. Nevertheless, sales continue to fall, and average unit volumes are now $750,000, according to Lance Lager, director of public relations. Systemwide sales in 1987 reached $109 million.

Mr. Steak has evolved over the years from a cafeteria-style operation serving steak, salad, and a baked potato for $1.19. Today, the company is testing the Mr. Steak Grill in Riverview, MI, with a completely new interior and exterior decor. The look is lighter and brighter; the exterior features an extended vertical roof profile and a high chimney that is spotlighted at night.

PIONEER. Ryan's Family Steakhouses, with headquarters in Greenville, SC, has been credited with being among those pioneering the giant food bars that have revitalized the family steak-house segment. The company, with 80 company-owned and 20 franchised units in the Southeast as well as in Ohio, Indiana, and Michigan, rolled out its Mega Bar in 1985 and has seen same-store sales rise by 40% since then. Average unit volumes now hover at around $2.4 million, probably the highest unit volume in the family steak-house segment.

In fact, the U-shaped food bar, which sells for $3.99 alone or $1.79 with an entree, now accounts for 50% of sales, while red meat accounts for only 35% of sales. Five years ago, red meat probably accounted for 55% to 60% of sales, says president McCall.

He points out, however, that Ryan's is selling just as much red meat as ever. The Mega Bar brought in a lot of new customers, so red meat simply decreased as a percentage of sales.

Ryan's is also testing all-you-can-eat breakfast bars in five units on weekends only.

Like Golden Corral, Ryan's has long concentrated on expansion in smaller cities. In the last three years, however, that strategy is changing, with larger metro areas being targeted. Some 26 new company-owned units should open

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Now positioned as a casual dining concept, 575-unit Sizzler is headed toward its goal of having 1,000 restaurants open by 1991.

Despite dire predictions, the segment is still viable, and although it is mature, there is still room for growth.

in 1988, along with about seven franchised units.

Ryan's expanded menu includes more fish, chicken, and salad dishes. Sales at the newly remodeled unit are up substantially.

REPOSITIONING. York Restaurants, owned by General Mills Restaurant Group, is going through a phase of rigorous testing of different menus and formats as part of an ongoing repositioning effort.

The 100 units, all company-owned, are all located in regional malls where their competition is other mall concepts rather than other family steak houses.

In 40 of its 100 units, York is experimenting with a variety of different changes, including the introduction of hot and cold food bars with vast quantities of food. Service is being enhanced in some units, with beverages being brought to the table.

"Like everybody else, we started out as a budget steak house," says Powell. "We've been testing for about five years, but this last attempt, which began in October, is major. We hope that with these changes we can expand; we're also looking at the possibility of freestanding units. We hope to revive to the point where we were when the budget-steak concept was popular."

Parent General Mills doesn't release sales figures. But Powell says that there is so much variation from unit to unit now that an average unit volume is meaningless.

A solid Midwestern steak-house chain is Hutchinson, KS-based Sirloin Stockade, with 1987 sales of $45 million and average unit volumes of $785,000, up slightly over last year.

Sirloin Stockade cuts meat fresh in its units, using USDA Select and Choice top-butt steaks, ribeyes, and tenderloins. The meat is aged naturally in the stores, and no tenderizers are used.

Like the other chains, Sirloin Stockade has a giant food bar offering hot foods ranging from vegetables to casseroles, as well as make-your-own tacos, fresh fruits, gelatin, and puddings. Also available are a salad bar, and prepared salads including a seafood salad and a Mexican salad. A dessert bar offers ice cream, toppings, cakes, and cobblers. Price of the food bar is $4.29 when purchased as a meal.

The bar is so popular that it now accounts for 35% of sales, compared to 38% for red meat. Ten years ago, points out president Gale Premer, red meat accounted for 90% of sales.

The company now operates 66 units in 12 states; all but five are company-owned. Four units are currently under construction.

Like so many of the family steakhouse chains, Sirloin Stockade favors locations in small towns, typically with populations of between 15,000 and 25,000.

"We'll continue to focus on smaller towns, because a family restaurant can appeal to a wider range of people and compete very, very well in a smaller community," says Premer.

Despite dire predictions and drastic changes on the part of some chains, the steak segment is still viable. Though mature, there is still room for growth.